MACROECONOMICS_CHARTS ECON 2301

Key Concepts Chart

Condition	Action
MB of X > MC of X	Buy or do next X
MB of X < MC of X	Do not buy or do next X
MB of X = MC of X	Optimal (Efficient) amount of X

PPF Concepts Chart

Productive Efficiency	Maximum output
Productive Inefficiency	Less than maximum output
Unattainable Region	More resources are needed
Attainable Region	Efficient combination of goods

Supply & Demand Chart

Law of Demand	P↑ Qd↓ P↓ Qd↑	
Normal Good X	if income ↑	Dx ↑
	if income ↓	Dx ↓
Inferior Good Y	if income ↑	DY ↓
	if income ↓	DY ↑
X and Y Substitutes	if PX ↑	DY ↑
	if PX ↓	DY ↓
X and Y Complements	DX ↑	PY ↓
	DY ↓	PX ↑
Law of Supply	P↑ Qs↑ P↓ Qs↓	
Surplus	Disequilibrium	QS > Qd
Shortage	Disequilibrium	Qd > QS
Consumers' Surplus	= Maximum Buying Price	− Price Paid
Producers' (Sellers') Surplus	= Price Received	− Minimum Selling Price
Total Surplus (TS)	= Consumers' Surplus (CS)	+ Producers' Surplus (PS)

Unemployment Chart

Total Population (TP)	= (P < 16, AF, I) + (CNP = LF' + (CLF = E + U))
Unemployment Rate (U)	=Number of unemployed persons / Civilian Labor Force
Employment Rate (E)	=Number of employed persons / Civilian non-institutional population
Labor force Participation Rate (LFPR)	= Civilian labor force / Civilian non-institutional population
Frictional Unemployment Rate (U_F)	=Number of frictionally unemployed persons / Civilian Labor Force
Structural Unemployment Rate (U_S)	=Number of structurally unemployed persons / Civilian Labor Force
Natural Unemployment Rate (U_N)	=Frictional unemployment rate (U_F) + Structural Unemployment Rate (U_S)
Cyclical Unemployment Rate (U_C)	=Unemployment rate (U) − Natural Unemployment Rate (U_N)
Alternative Unemployment Rate (Ua)	$=\frac{\text{Number of unemployed persons + Discouraged Workers}}{\text{Civilian labor force + Discouraged Workers}}$

Prices Chart

CPI	=	$\frac{\text{Total dollar expenditure in current year}}{\text{Total dollar expenditure In base year}}$	X 100
Percentage Change in Prices (inflation)	=	$\frac{(CPI_{later\ year} - CPI_{earlier\ year})}{CPI_{earlier\ year}}$	= X 100
Real Income	=	$\frac{\text{Nominal Income}}{CPI}$	X 100
Salary in Today's (current) Dollars	=	Salary earlier year X	$\frac{(CPI_{current\ year})}{(CPI_{earlier\ year})}$
Dollar amount In Today's (current) Dollars	=	Dollar amount$_{earlier\ year}$ X	$\frac{CPI_{current\ year})}{(CPI_{earlier\ year})}$